

1 UNITED STATES BANKRUPTCY COURT

2 SOUTHERN DISTRICT OF NEW YORK

3 Case No. 23-10063-shl

4 - - - - - x

5 In the Matter of:

6

7 GENESIS GLOBAL HOLDCO, LLC,

8

9 Debtor.

10 - - - - - x

11 United States Bankruptcy Court

12 300 Quarropas Street, Room 248

13 White Plains, NY 10601

14

15 August 2, 2023

16 10:11 AM

17

18

19

20

21 B E F O R E :

22 HON SEAN LANE

23 U.S. BANKRUPTCY JUDGE

24

25 ECRO: ALIANNA PERSAUD

1 Doc. #565 Notice of Agenda

2

3 HEARING re Status Conference Re: Doc. #279 Order Appointing
4 Mediator

5

6 HEARING re Discovery Conference Re: Doc. #530 Debtor's First
7 Omnibus Objection (Substantive) to Claim Nos. 523, 526, 527
8 Pursuant to 11 U.S.C. 502 and Fed. R. Bankr. P. 3007 (no
9 Liability) (REDACTED)

10

11 Doc. #562 Letter to Judge Lane Re: Discovery Conference on
12 3AC Claim Objection Filed on Behalf of Genesis Global
13 Holdco, LLC

14

15 Doc. #563 Letter to Judge Lane Re: Disciplinary Conference
16 on 3AC Claim Objection Filed on Behalf of Foreign
17 Representatives of Three Arrows Capital, Ltd. (in
18 liquidation)

19

20

21

22

23

24

25 Transcribed by: Sonya Ledanski Hyde

A P P E A R A N C E S :

CLEARY GOTTlieb STEEN HAMILTON LLP

Attorneys for Genesis Global Holdco, LLC

One Liberty Plaza

New York, NY 10006

BY: SEAN A. O'NEAL

LUKE A. BAREFOOT

JANE VANLARE

WHITE CASE

Attorneys for the Official Committee of Unsecured

Creditors

1221 Avenue of the Americas

New York, NY 10020

BY: PHIL ABELSON

J. CHRISTOPHER SHORE

COLIN WEST

PROSKAUER ROSE LLP

Attorneys for the Ad Hoc Group of Genesis Customers

11 Times Square

New York, NY 10036

BY: BRIAN ROSEN

JORDAN SAZANT

HUGHES HUBBARD REED LLP

Attorneys for Gemini Trust Company, LLC

One Battery Park Plaza

New York, NY 10004

BY: ANSON B. FRELINGHUYSEN

SULLIVAN CROMWELL LLP

Attorneys for FTX Trading Ltd. and its Affiliated

Debtors

125 Broad Street

New York, NY 10004

BY: BRIAN GLUCKSTEIN

1 UNITED STATES DEPARTMENT OF JUSTICE

2 Attorneys for the U.S. Trustee

3 Alexander Hamilton Custom House

4 One Bowling Green, Room 534

5 New York, NY 10004

6
7 BY: GREG ZIPES

8
9 WEIL GOTSHAL MANGES LLP

10 Attorneys for Digital Currency Group, Inc.

11 767 Fifth Avenue

12 New York, NY 10153

13
14 BY: JEFFREY SAFERSTEIN

15
16 LATHAM WATKINS LP

17 Attorneys for Foreign Representatives of Three Arrows

18 885 Third Avenue

19 New York, NY 10022

20
21 BY: ADAM GOLDBERG

22 NIMA MOHEBBI

1 ALSO PRESENT:
2 ERIC IAN ASQUITH
3 ANDREW BEHLMANN
4 BENJAMIN S. BELLER
5 ERIC C. DAUCHER
6 MICHAEL S. ETKIN
7 KRIS HANSEN
8 CHRISTOPHER HARRIS
9 LEONIE C. KOCH
10 KEN LUKAZEWSKI
11 ANDREW MATOTT
12 AKIKO MATSUDA
13 MARCY J. MCLAUGHLIN SMITH
14 MICHELE MEISES
15 BRETT MATTHEW NEVE
16 MICHAEL PAPANDREA
17 AMANDA PARRA CRISLE
18 KENNETH PASQUALE
19 GREGORY F. PESCE
20 PHILIP RIES
21 ISAAC SASSON
22 MATTHEW W. SILVERMAN
23 NACIF TAOUSSE
24 DANEIL THORNBURGH
25 WILLIAM MATTHEW UPTEGROVE

1 FRANCISCO VAZQUEZ
2 COLIN WEST
3 PAUL ARONZON
4 NEGISA BALLUKU
5 BRENDON BARNWELL
6 CAROLINE BARTOLOTTA
7 SABRINA BREMER
8 BRIAN BULTHUIS
9 MICHAEL CINNAMON
10 TOM CONHEENEY
11 COURTENAY CULLEN
12 JARED DERMONT
13 MICHAEL DIYANNI
14 UDAY GORREPATI
15 JASON GOTTLIEB
16 BRANDON HAMMER
17 TAYLOR HARRISON
18 MIRANDA HATCH
19 DERAR ISLIM
20 ZUL JAMAL
21 HOO RI KIM
22 PAUL KINEALY
23 BARAK KLEIN
24 MICHAEL KOWIAK
25 OXANA KOZLOV

1 KONRAD LAESSER
2 BRADLEY LENOX
3 MICHAEL LETO
4 SAMUEL LEVANDER
5 DAVID LOPEZ
6 ALEXANDRA LOTTY
7 NICK MAISEL
8 JACK MASSEY
9 KYLE MCKUHEN
10 RICHARD CHESTER MINOTT
11 ANAIS MITRA
12 JOHN NGUYEN
13 TYLER OKADA
14 MASON PALISSERY
15 AMELIA POLLARD
16 REBEKAH PRESLEY
17 ARIANNA PRETTO-SAKMANN
18 MOHIT RATHI
19 CHRISTIAN RIBEIRO
20 KATIE ROSS
21 ANDREW SABA
22 ANDRES SAENZ
23 DAVID Z. SCHWARTZ
24 JOE SCIAMETTA
25 BENJAMIN STEELE

1 ANDREW SULLIVAN

2 GABE SUTHERLAND

3 ANDREW SWIFT

4 BRIAN TICHENOR

5 ANDREW TSANG

6 MICHAEL WEINBERG

7 JACK WESTNER

8 PAUL WIRTZ

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 P R O C E E D I N G S

2 THE COURT: Good morning, this is Judge Sean Lane
3 in the United States Bankruptcy Court for the Southern
4 District of New York. Good morning to you all, and we're
5 here for a 10:00 calendar, although a shortened calendar, in
6 Genesis Global Holdco, a Chapter 11 case. And we'll start
7 today, as we always do with appearances. So, let me get
8 appearances from the Debtors.

9 MR. O'NEAL: Good morning, Your Honor, Sean O'Neal
10 and Luke Barefoot, and Jane Vanlare of Cleary Gottlieb Steen
11 and Hamilton on behalf of the Debtors.

12 THE COURT: All right, good morning.

13 MR. O'NEAL: Good morning.

14 THE COURT: And on behalf of the Official
15 Committee.

16 Oh, you're on mute. Sorry to --

17 MR. ABELSON: Your Honor?

18 THE COURT: Yep, I got you.

19 MR. ABELSON: (Indiscernible) what do you want --
20 well -- yeah, we'll Mr. Shore is trying to work out the
21 technical -- technological issues. Phil Abelston, White
22 Case on behalf of the Committee, joined today by my
23 colleagues Christopher Shore, and Colin West.

24 THE COURT: All right. I'm confident he will get
25 there, and I can see him on the screen, so I know he's here.

1 And on behalf of the Ad Hoc Group?

2 MR. ROSEN: Thank you very much, Your Honor, Brian
3 Rosen, and Jordan Sazant, Proskauer Rose, on behalf of the
4 Ad Hoc Group.

5 THE COURT: All right, good morning. On behalf of
6 Gemini Trust Company?

7 MR. FRELINGHUYSEN: Good morning, Your Honor,
8 thank you very much. Anson Frelinghuysen, Hughes Hubbard,
9 and Reed, for Gemini Trust Company.

10 THE COURT: All right, good morning. On behalf of
11 the FTX debtors?

12 MR. ABELSON: I don't think they're on, Your
13 Honor.

14 THE COURT: All right. Thank you very much.

15 MR. GLUCKSTEIN: I am on -- I am on, Your Honor, I
16 don't anticipate in participating actively today, but Brian
17 Gluckstein, for FTX Debtors, Your Honor.

18 THE COURT: All right, thank you. Always a hazard
19 to know exactly what names to go through on this multipage
20 list that we always get before hearings of this type.

21 All right, on behalf of the United States
22 Trustee's Office?

23 MR. ZIPES: Good morning, Your Honor, Greg Zipes
24 with the US Trustee's Office.

25 THE COURT: Good morning. On behalf of the

1 Digital Currency Group.

2 MR. SAFERSTEIN: Good morning Jeffrey Saferstein
3 from Weil, Gotshal and Manges, on behalf of Digital Currency
4 Group.

5 THE COURT: All right, good morning. And on
6 behalf of the Foreign Representatives of Three Arrows. Oh,
7 you also are on mute.

8 MR. GOLDBERG: Hi, can you hear us?

9 THE COURT: I can hear you now, yes.

10 MR. GOLDBERG: Good morning, Your Honor, Adam
11 Goldberg of Latham Watkins on behalf of the Foreign
12 Representatives of Three Arrows.

13 THE COURT: All right, good morning. All right.

14 MR. GOLDBERG: Your Honor, we also have Nima
15 Mohebbi on behalf of Three Arrows Capital, as well.

16 THE COURT: All right. Good morning. All right,
17 with that, I think -- I'm certainly not trying to exclude
18 anyone, but I don't want to go through the entire list. I
19 already have at least one person who didn't intend on making
20 an appearance, because they didn't intend to speak. So, is
21 there anyone else who does intend to speak at this morning's
22 hearing who would like to make an appearance at this time?

23 All right. So, good morning to you all. I know
24 the calendar has been shifting a bit and that reflects all
25 the activity going on in the case, and we're happy to do

1 that as the needs of the case arise.

2 At some point, before we're finished, we should
3 talk about scheduling, going forward just to make sure we're
4 all on the same page and we get you what you need.

5 But with that, I thought I would turn it over to
6 the Debtors to walk us through the agenda, which I believe
7 it's at Docket 565.

8 MR. O'NEAL: Sure, Your Honor, Sean O'Neal, Cleary
9 Gotlieb, on behalf of the Debtors. I think we really only
10 have two matters on the agenda today. One is a status
11 conference with respect to the mediation, and the second is
12 a discovery related conference, relating to the Three Arrows
13 Capital claims objection.

14 We'd like to start with the mediation status
15 conference, if we could.

16 THE COURT: Please.

17 MR. O'NEAL: Certainly. Well, as has become a
18 tradition in this case, perhaps not a welcome tradition, but
19 a tradition nonetheless, it's another status conference on
20 the mediation. At our last status conference of July 13th,
21 we reported that we are very close to a deal in principle
22 among certain parties.

23 That remains true today. We have made some
24 progress on a variety of fronts over the past two weeks, but
25 frankly, not the progress that we were hoping for. I will

1 say that the key point of progress that we have made, as has
2 been disclosed in a letter that was filed with the Court, is
3 that we have reached an agreement, in principle, with the
4 FTX Debtors, concerning alleged preference claims, the Lift
5 Stay Motion, and the Estimation Motion.

6 We're still papering that deal and we hope to get
7 a 9019 Motion on file in relatively short order in the
8 coming days.

9 That said, while we have made progress, we have
10 not concluded the mediation. Technically that medication
11 expired on July 27th and it's the -- and as July 27th turned
12 into July 28th. Once again, all of the parties, but one,
13 have agreed to extend the mediation period, specifically,
14 the Debtors, the UCC, the Ad Hoc Group, and DCG, have agreed
15 to extend the mediation period. But Gemini has not unless
16 we agree to certain conditions.

17 Also, I should note that the Ad Hoc Group has
18 agreed to extend the cleansing date provision that they had
19 actually requested in the mediation order. They have agreed
20 to extend that cleansing date.

21 Your honor will recall that at the last hearing,
22 on the mediation, the Court extended the mediation period on
23 its own, noting that the Court has inherent authority to
24 order mediation. Gemini has consented to an extension of
25 the mediation, but has attached certain conditions to that

1 extension, for which frankly, we did not believe that we had
2 the authority to agree to because we view that a mediation
3 order is your order. An order that you have entered and
4 that you have directed us to -- to continue the mediation.
5 We did not feel it was our prerogative to attach conditions
6 to Your Honor's order.

7 Therefore, we do request that Your Honor extend
8 the medication period for another two weeks, to August 16th.
9 In making this request, I want to make something clear. We
10 are at an important point in the case. And I believe that
11 if we do not make substantial progress with respect to a
12 deal in principle in the next two weeks, we do not believe
13 that we will be seeking to extend the mediation further.

14 We need to make substantial progress. We are very
15 close, but at a certain point, we have to move forward. We
16 have to move forward with the plan that we have on file, as
17 it will be unimpeded. One of the things I should note, Your
18 Honor, that has become apparent in this situation is that
19 aside from the disputes involving DCG and Gemini, there are
20 disputes among creditors; and we may be amending the plan to
21 address those disputes, and like I said, if we don't seek --
22 if we don't make progress, we may just go forward with the
23 plan as we've amended it to address those issues and other
24 issues.

25 In addition, we may ask, Your Honor, for a

1 chambers conference, as we have discussed in the past, in
2 order to set up a process and a timeline for resolving those
3 intercreditor disputes.

4 I do believe that we are very close to a deal. I
5 -- I've said that before and I still believe that. And we
6 just need to use the next two weeks to try to get to a deal,
7 in principle, that can actually be documented. And if we --
8 if we achieve that, that's fantastic, that's what we've been
9 trying to achieve. If we do not, we will just go down the
10 road of the existing plan with the amendments that we will
11 propose.

12 So, with that, Your Honor, we appreciate your
13 guidance and your patience throughout this process. You've
14 always made time for us, and we greatly appreciate that.
15 And we respectfully request a two week extension of the
16 mediation period. Thank you.

17 THE COURT: All right. Thank you for that
18 information, and I think it makes sense to hear from Gemini,
19 at this point, and then I can hear from any other party that
20 wishes to be heard.

21 MR. FRELINGHUYSEN: Thank you, Your Honor, Anson
22 Frelinghuysen, Hughes, Hubbard, and Reed for Gemini Trust
23 Company on behalf of 232,000 earn users. We can certainly
24 accept the need to be mindful of the mediation privilege and
25 not wanting to upset that apple cart, and certainly aware

1 that part of the reason we're here today, (indiscernible)
2 over time is because Gemini continues to oppose the
3 extension of the mediation period.

4 We were close to it today, we're now very close,
5 maybe we're very close two weeks ago, we're very close now.
6 I'm glad to hear Mr. O'Neal does not intend to extend the
7 mediation period further out. We think that it's not
8 necessary. If the deal is close, then let's all see the deal
9 and let's have the plan benefit from the input of many
10 others. I think it'll do better to have sunshine on that
11 and if the deal is to be documented, let's have it
12 documented once people are aware of what it is, and can give
13 their inputs of the documentation process, as -- as much
14 input as possible from everybody.

15 I think that if the deal is already close
16 (indiscernible) with DCG, which was the purpose of the
17 mediation, other matters within the deal, in the written
18 plan and not the purpose of mediation, and to the extent
19 that other matters of the plan are being address, they
20 should not be protected by the mediation privilege. And
21 there could be problems down the road if people are looking
22 for discovery regarding whether negotiations that do not
23 pertain to DCG, as contribution which was the purpose of the
24 mediation.

25 So, we would just preview that mediation privilege

1 should not be extended to those -- or it would not be
2 necessarily extendable to those, given that they're outside
3 the scope of the mediation. We'd like to hopefully not be
4 back here in two week looking for another extension, and I
5 think that's all I have for, Your Honor.

6 THE COURT: All right. Thank you very much.
7 Anything from the Official Committee?

8 MR. SHORE: All right, hopefully this is working
9 now, Your Honor. Chris Shore from White and Case. Nothing
10 to add, just support the Debtor's request.

11 THE COURT: All right. And Mr. Rosen, anything
12 from the Ad Hoc Committee?

13 MR. ROSEN: Yes, Your Honor, very briefly. We do
14 support the Debtor's request. There are, just for the
15 record, there are many conversations going on, on a daily
16 basis between the members of our group, our steering
17 committee, and the UCC. There are very, very delicate
18 issues involved in these negotiations regarding
19 distributions pursuant to a plan, and how they interact --
20 or with all of the other issues associated with DCG, with
21 Gemini, and some of the other settlements that the Debtor is
22 looking to enter into.

23 We believe that this time is necessary to continue
24 that process, and we believe that it should be done under
25 the guise -- under the rubric of the mediation order, Your

1 Honor. Thank you.

2 THE COURT: Thank you. Any other party that
3 wishes to be heard? All right. Hearing nothing further, I -
4 - I -- I'm not, surprisingly, am going to extend the
5 mediation for another two weeks. I understand Mr.
6 Frelinghuysen's anxious and -- and concerns and wanting to
7 know what's going on. I'm not -- but I'm going to extend it
8 for the same reasons I set forth at the last hearing, I'm
9 not going to repeat those, you all know what those are.

10 But to briefly touch on one or two points, the
11 minute things are out in the public, they take on a life of
12 their own. We all know that from cases that we've been
13 involved in where the very harsh light of -- well, and
14 again, transparency is very important in bankruptcy, but in
15 terms of trying to have settlement discussions, there's a
16 reason that Rule 408 exists, and mediation is part and
17 parcel of that and it's very difficult to have 408 kinds of
18 discussions with the world in the room. It's just a
19 practical matter.

20 Obviously, anything that's done in the case that
21 needs Court approval will end up here. And I appreciate Mr.
22 Frelinghuysen's advocacy for his clients, and all their
23 concerns. We -- we will get there. Again, I think this is
24 a very challenging case and there are a lot of moving
25 pieces. And so, I'm not going to say anything extensive

1 about there was notion about mediation privilege and what it
2 covers and what it doesn't cover. That's not in front of me
3 today, but obviously, this mediation sounds like what's
4 happening is what happens in all mediations. It's -- you're
5 trying to solve an equation that has multiple variables, and
6 you'll end up having discussions that are very specific, as
7 well as discussions that are -- that are sort of quite broad
8 in scope when trying to figure out the riddle that is the
9 case. That's -- that's how it goes. So, that's the only
10 comment I'd have on that.

11 So, again, with -- certainly an appreciation for
12 the concerns of all the people that Mr. Frelinghuysen
13 represents, I'm nonetheless going to extend the mediation
14 out another couple of weeks.

15 What I would say, just to let you know, and I
16 think we can talk about it in schedule, at some point, I
17 believe that gets us to the 16th. I -- I plan on -- well,
18 let me put it this way, there was some mention of a Chambers
19 conference, and I'm not sure what is meant by that.
20 Probably you all are not sure what's meant by that at this
21 point. But what I will say is, I believe we have time on
22 the 18th and to the extent that somebody believes it would
23 be helpful to have a Chambers conference, maybe that's a day
24 to pencil in. And if people, you know, it's all designed to
25 suit the needs of the case, and so it could be remote, it

1 can be in person, it can be whatever is most helpful for the
2 folks who are trying to solve the issues that you have in
3 front of you.

4 The only thing I would say, obviously, is the
5 importance of having everybody who is an interested party in
6 the room, so that nobody feels excluded. And but I just
7 wanted to make -- throw that out there as -- as -- I'm open
8 to other suggestions, but I'll throw that out as a
9 possibility because it would seem to dovetail with the
10 timeline you're talking about for the purposes of today.

11 So, with that, I'll turn it back over to you, Mr.
12 O'Neal.

13 MR. O'NEAL: Thank you very much, Your Honor. The
14 18th sounds like a great idea, so we greatly appreciate your
15 indulgence on that point, in the event that we need it.

16 I think we will, obviously, submit a proposed
17 order changing the date to the 16th for the mediation
18 extension. I think with that we're ready for our next
19 agenda item, and Luke Barefoot's going to lead that one.

20 THE COURT: All right. Mr. Barefoot.

21 MR. BAREFOOT: Good morning, Your Honor. Luke
22 Barefoot from Cleary Gottlieb, for the Debtors. Can you
23 hear me all right?

24 THE COURT: I can hear you just fine.

25 MR. BAREFOOT: Thank you, Your Honor. Your Honor,

1 turning to Item Number 2 on today's short agenda, it's the
2 discovery conference with respect to the Debtor's First
3 Omnibus Objection to the three proofs of claim filed by the
4 liquidators of Three Arrows Capital, and that was filed at
5 Docket Item 530.

6 Your Honor, in that objection, which was filed on
7 July 19th, the Debtor's seek, in part, disallowance of the
8 proofs of claim based on pleading deficiencies; and the
9 absence of sufficient detail as to the nature of the claim
10 and the facts that would support it.

11 Other than respond to that claims objection, the
12 liquidators have indicated to us that they intend, instead,
13 to amend their proofs of claim in an effort to address
14 certain of the objections.

15 THE COURT: So, Mr. Barefoot, if I could -- I did
16 read all -- all the letters I have, I guess what's at Docket
17 563 and 564. So, I just figured I'd mention that so you can
18 -- you can dispense with the preliminaries.

19 I understand that this is a fight about sort of
20 the chicken and egg kind of a problem, whether it's
21 discovery or amending, and so -- so I get it, and I do have
22 your response, which is -- which is two and a half pages,
23 and pretty to the point, which I -- which I appreciate. So,
24 I think you can probably pick up on that -- on that thread.

25 MR. BAREFOOT: Thank you, Your Honor. I'll cut

1 right to the chase then. Your Honor, we have -- we have no
2 control over whether the liquidators intend to amend their
3 claim or proceed to respond to our objection. That's their
4 prerogative. So, we're not requiring them to amend. We're
5 not asking the Court to require them to amend. What they're
6 trying to do, though, is say why we want to amend, we want
7 to compel the Debtors to first engage in all merits of
8 discovery before we file our amendment.

9 As we set forth in our papers, that simply makes
10 little sense where it would effectively give the liquidators
11 extensive, pre-complaint discovery, without so much as a
12 motion to engage in what would be a fishing expedition. And
13 Your Honor, without knowing the definitive nature and extent
14 of the claims that are at issue, it's impossible for us to
15 have meaningful exchanges, or ask, Your Honor, to decide any
16 disputes with respect to relevance or proportionality.

17 I also just want to note, Your Honor, that while
18 you've -- you've heard voluminous ink spilled by the -- by
19 the liquidators in their submission over the insufficiency
20 of their own records, and the lack of information that they
21 have. One thing that that does ignore, Your Honor is the
22 information that was in the claims objection itself. That
23 includes all of the definitive documentation that governed
24 the parties loan agreements, as well as all of the
25 communications between the parties where the terms for the

1 relevant transactions were agreed.

2 Your Honor, we also mention that as an
3 accommodation, and really in order to avoid further delay in
4 adjudicating the claims objection, we do intend to produce,
5 in short order, the basic information that we think would be
6 relevant, regardless of the -- the exact nature and scope of
7 the amendment. And I'll just conclude on this first issue
8 by saying none of the cases that the liquidators cite in
9 their -- in their letter brief involve or support any
10 entitlement to discovery as conditioned to amending a claim.

11 THE COURT: So, let me just ask for a
12 clarification. In approving what are referred to here as
13 the sufficiency process. My -- my understanding is, we're
14 not changing any of the regular rules of the road. We're
15 slapping it -- a name on it, but folks have a right to file
16 claims. Folks have a right to file objections to claims.
17 And if a claim isn't prima facia valid, or even if it is,
18 somebody comes forward with evidence to shift the burden,
19 and -- and what -- what I understood the sufficiency
20 proceedings, that pleading and that explanation, that
21 discussion to do was to essentially put me on notice, to say
22 Judge we may have some that are going to look a bit like a
23 12(b)6 motion, because we think we have some claims that
24 fall into that category, but my understanding is -- is none
25 of that changed the rules of the road as to what everybody's

1 obligations are under the law, and what the burdens are, and
2 how to process claims objections.

3 MR. BAREFOOT: That's correct, Your Honor, and we
4 -- we discussed that in some fashion at the hearing on the
5 claims objections procedures order. I don't think, Your
6 Honor, needs to reach today, whether a sufficiency hearing
7 is the right vehicle for this objection, particularly given
8 that we now know that we don't even have the definitive
9 claim in front of us. I think everyone's rights on that are
10 reserved, and as, Your Honor, said, and as we discussed at
11 the claims objections procedures order, in some ways the
12 sufficiency hearing is -- is consistent in any event with
13 the local rules where the first hearing on a matter is in
14 any event, unless ordered otherwise, a non-evidentiary
15 hearing.

16 THE COURT: Yeah, which is designed to allow the
17 parties to take stock and then I can provide you with my
18 thoughts about the best ways to proceed, and you can give me
19 your views as to whether that makes sense, or you have some
20 other ideas, and everybody reserves all their rights under
21 applicable law.

22 All right. Thank you. I appreciate it. I just -
23 - I remember we had a discussion and I think the reason we
24 had a discussion was to sort of flesh this out in the first
25 instance, and I just wanted to confirm I came away with the

1 right understanding.

2 Anything else, Mr. Barefoot?

3 MR. BAREFOOT: Just a -- very briefly, Your Honor,
4 on the second issue which is whether and to what extent the
5 Court would now preclude the Debtors from citing to or
6 relying on the fact that there will be one amendment in the
7 event that there are theoretically three or four or five
8 amendments?

9 THE COURT: Sure, go ahead, please.

10 MR. BAREFOOT: Okay. So, Your Honor, very
11 briefly, we believe it would be inappropriate and at this
12 point, amount to some sort of an advisory opinion to rule
13 that if and when the liquidators subsequently amend, that
14 the Debtor's cannot point to, or rely on that in future
15 disputes.

16 Subsequent amendments, if and when they happen,
17 should be decided if and when there are disputes, with the
18 benefit of the facts and circumstances at that time,
19 particularly where they may raise relation back issues. The
20 Debtors are not, at this point, seeking any determination on
21 a theoretical third or fourth iteration of these claims, if
22 we get there, and it should suffice that all parties rights
23 and defenses are reserved to argue what may be relevant in
24 the event of such subsequent amendments.

25 THE COURT: All right. Thank you very much. I

1 think I understand your point on that. So, let me hear from
2 the Foreign Representatives for the Estate of Three Arrows
3 Capital.

4 Oh, you are on mute. You are no longer on mute.

5 MR. GOLDBERG: Good morning, Your Honor, can you
6 hear me now?

7 THE COURT: (Indiscernible) great.

8 MR. GOLDBERG: Okay. Thank you very much, Your
9 Honor, and for the record, again, Adam Goldberg of Latham
10 Watkins, on behalf of the Foreign Representatives of the
11 Three Arrows Estate. Thank you, again, for hearing us on
12 short notice and accommodating the letter raised. We're
13 here with -- on a joint request to be heard so quickly with
14 the Debtors because we do agree with them that these matters
15 should be moving forward swiftly.

16 And I'd like to acknowledge at the outset that our
17 letter was a bit longer than we typically file for a hearing
18 of this type, but it --

19 THE COURT: (Indiscernible) --

20 MR. FRELINGHUYSEN: -- yes, Your Honor. We did
21 feel it necessary though to express the legal argument we
22 have as it relates to -- particularly to the availability of
23 a sufficiency hearing here, because it's so important to our
24 bankruptcy case. These claims that we have against the
25 Genesis Estate are among the largest assets available to the

1 Three Arrows Estate and the Debtors are seeking to shut
2 those claims down entirely.

3 THE COURT: Well, the -- but that's the merits.
4 They may be right, they may be wrong, we'll get to that in
5 the fullness of time. But as to process, as I think I
6 signaled with my question to Mr. Barefoot, my -- I'm not
7 changing any of the rules of how things apply and how --
8 what the rules are for pleadings, for claims objections, for
9 the burdens of proof, any of that. And so, my -- my -- so if
10 you apply those general rules here, you filed the claim, as
11 is your right. They filed an objection, as is theirs.

12 You can decide whether to amend or not to amend
13 and -- and that's your choice. I -- the signal I get from
14 the letter is that you think, hey, we probably will amend
15 because we want to provide additional information. I think
16 that's sensible, at least in the abstract. Again, you all
17 know this better than I do, but that that's sensible,
18 because it's always better to fight about specific things,
19 than -- than kind of general what could you be arguing. And
20 why not put your best foot forward.

21 And then I would think everything after that
22 follows whatever the rules tell us in terms of T'ing issues
23 up. So, you'll have discovery, discovery will then, as a
24 result of an amended claim, be more focused, and that's
25 good. And obviously, the party's relationships here are

1 complicated, even if -- even if focused, I'm sure discovery
2 will be extensive.

3 And then if you decide to amend in the future, you
4 decide to amend, if they decide to oppose your amendment,
5 they decide to oppose and then I apply the rules, which are
6 the relation back rules, and I think I have an opinion or
7 two about that in prior cases.

8 So, I mean, my -- my thought is that that's the
9 rules of the road and I don't -- they're there -- they're
10 there for a good reason and my job is -- this job is hard
11 enough without trying to predict the future. I don't have
12 any -- I don't have any better talent at that than any of
13 you all, so where we end up, we end up and everybody
14 reserves their rights.

15 So, that certainly -- I throw that out there now,
16 because that's certainly the default. Right? I'm not --
17 I'm not -- no one's asked me to weigh in on any of the
18 merits of any objection. We'll get there. So, what is it
19 that you're asking me to do that's different than some of
20 the default rules of the road and why?

21 MR. GOLDBERG: Well, I think what we have here is
22 a difference of what the default rules are. Difference of
23 views with the Debtor. Because our perspective is that the
24 claim objection creates a contested matter and not an
25 adversary proceeding, and Mr. Barefoot referred to pre-

1 complaint discovery, essentially as how they're
2 characterizing our efforts at discovery, but our view is
3 that the status quo should be preserved. We're not asking,
4 Your Honor, to change anything today. We're trying to keep
5 the -- the rights as they are today, and our view is that
6 the rules permit discovery.

7 THE COURT: But -- but yes and no. Right? We all
8 know that the rules that when you evaluate a claim by. And
9 if you are concerned enough about the sufficiency of your
10 allegations in the complaint that you're advocating and have
11 expressed freely with the other side that you're likely to
12 amend your claim, I mean that tells us something, right?
13 So, it -- this is -- this lack of specificity is going to
14 manifest itself, if not here, then in discovery. So, you're
15 going to say well, the user rules apply, it's a contested
16 matter, we want discovery, and the Debtors are going to say
17 discovery is not -- how are we supposed to handle discovery
18 if we don't really know what the claim is. And then we're
19 going to end up back here in discovery.

20 So, there's a reason that, you know, notice
21 pleading is a -- is a concept, right? It's designed to say
22 well, we know what we're fighting about, so we know what
23 information to exchange. There's always fights and debates
24 on the margins. But they're not supposed to be sort of a
25 fundamental, existential question as to exactly what it is

1 that you're seeking.

2 So, again, I don't have the merits of the claim in
3 front of me, but -- but I think that your -- I take your
4 point, but I think it might prove a bit too much in this
5 context.

6 MR. GOLDBERG: Well, Your Honor, I think let me
7 just respond by exactly what we're looking to preserve the
8 status quo here on. You know, Mr. Barefoot mentioned third
9 and fifth amendments. We're not asking the Court to
10 prejudge anything. What we're looking for here is
11 availability of discovery that we think is available under
12 the bankruptcy rules and actually there's multiple
13 alternative basis for the rules to provide for discovery
14 here. There is a contested matter that provides the basis
15 for discovery. There's also a Rule 2004 that applies --

16 THE COURT: But then you can make a 2004 --

17 MR. GOLDBERG: -- to this Chapter 11 case.

18 THE COURT: -- application. I don't have a Rule
19 2004 application. I thought about that when I was reading
20 the letters. And again, it's an adversary system and I have
21 a bunch of really smart lawyers in front of me, and you
22 know, there's -- when I was on the other side of the bench,
23 sometimes Judges would go around suggesting very clever
24 ideas, seemed like Judge we've thought about that, or we had
25 a discussion about that. So, I try to avoid doing too much

1 of that. But yeah, if you want to make that request, you
2 make that request and it gets evaluated, based on whatever I
3 have in front of me.

4 The problem is, I think your point proves too
5 much. It seems to suggest, at the most extreme, that if
6 somebody filed a one sentence claim saying I have a claim
7 against the Debtors, period. Then that would be a contested
8 matter and we'd have discovery. And so again, I don't have
9 the merits of the claim in front of me, we're talking a bit
10 more abstractly about how much sufficiency is appropriate.
11 But -- but folks can file claims objections and say Judge,
12 this is a waste of time to have discovery. There's no
13 there, there, and so I think it's -- I think your instincts
14 are right. Let's get down to brass tacks and to what we're
15 really fighting about. Amend your claim, and then have
16 discovery.

17 The rules, as I understand Rule 15 and relation
18 back, are -- it's a fairly liberal standard. I mean, I'm
19 not -- I'm not seeing anything that's -- I'm just -- I'm not
20 changing the law, I'm just stating what I understand the law
21 to be, sitting here today, having written opinions on it in
22 the past. And so, I don't think you're giving up anything,
23 you're just -- we're just, as you know, Bankruptcy Judges,
24 we're very practical people. And so, we're trying to find a
25 way to move cases forward in the most efficient way. So, --

1 so that again, you may have amendments, as you learn things
2 and I understand that you're the foreign representatives,
3 and you're not -- you have significant challenges of your
4 own, and there's case law on -- that addresses that -- those
5 kinds of a concerns as well.

6 So -- so, again, I think the regular rules of the
7 road are -- are -- seem to be, you know, well suited to --
8 to protect your kinds of concerns. And it's going to end up
9 in front of me, and you could say, Judge, remember we came
10 here, and this is why we came here before. Now we're here
11 again, and -- and we've done our best to move things forward
12 and then we'll figure it out under those circumstances.

13 But what is it specifically you're asking me to
14 do?

15 MR. GOLDBERG: Well, specifically well -- where we
16 are today, is that we've agreed with the Debtors that we
17 will file an amended complaint. We've -- and we've -- but
18 we haven't agreed on exactly when that will be filed. What
19 we're asking the Court today is to give us direction that we
20 should be entitled to take discovery before an amended claim
21 is filed. Or in the alternative, what we're asking for is
22 that if we do file the amended claim now, that first one
23 amendment shouldn't be held against us later.

24 THE COURT: I can't --

25 MR. GOLDBERG: We're not trying --

1 THE COURT: -- no, no. No, no. That -- so number
2 two is out because it changes the rules of the game. Right?
3 It changes the rules that exist for situations like that.
4 If you amend -- you've -- you amend your claim, and we
5 address it under the relation back and all the applicable
6 rules.

7 As for the first, it does also change the rules, I
8 think, but a bit more subtlety. It basically says well,
9 we're going to file a claim, and to the extent that another
10 side might make an objection that they can come to you with
11 and say, you know, Judge it's -- it's -- we don't think it
12 actually states a claim for anything, then they can't do
13 that.

14 And so, I'm not saying that their -- their
15 argument on the sufficiency of your existing claim is a
16 winner or not. I don't have the in front of me today. But
17 you're asking me to say that they can't make that argument,
18 right? And so, as I said to Mr. Barefoot, the regular rules
19 apply. So, if you have your current claim and they decide
20 to proceed with an objection, saying that current claim is -
21 - is not sufficient and here's what the case law says about
22 that. And you argue it, they argue it. They may win, they
23 may lose, but I can't in advance tell them that they can't
24 make that. If they have the right to proceed with that
25 argument, they have the right to proceed with that argument,

1 and in fact there's -- there's good reasons, and I think
2 which is what they argued when they got those procedures
3 approved, to say we want to be able to flesh out claims when
4 we don't really know what they're about.

5 And we made it clear, at the time, that discussion
6 doesn't change the rules of the road about how you evaluate
7 claims objections. I have viewed it as essentially a heads
8 up, as to what their thinking was, and so that they didn't
9 think I was changing or that any order would be changing the
10 rules of the road.

11 So, I'm not going to -- that also then -- they can
12 proceed with their objection, and we'll have what we
13 normally have, a non-evidentiary hearing. We'll get
14 together and then I'll evaluate it. So, if you want to spin
15 that wheel, that's what we'll do. It's up to you.

16 Based on what limited stuff I have in front of me
17 today, which is procedural, there's a suggestion that you
18 think geeze, we probably should amend this -- this claim.
19 And that that's probably what we're inclined to do.

20 I would say trust your instincts, because more
21 specificity is better than less specificity, and we're all
22 better fighting about specific identified things and getting
23 through the merits rather than fighting about these kinds of
24 issues. It's just more efficient, and it saves money for
25 clients and moves the case along more smoothly.

1 But that said, you all know your case better than
2 I do, so you have to make your choice. But I just -- I'm
3 not going to remove anybody's procedural options and tell
4 them that they can't -- they can't do that. We'll deal with
5 it. I don't have it in front of me today, and maybe you
6 would -- you would have an objection if they file a motion
7 to expunge, and saying it's not sufficient, and you would
8 oppose and maybe you'd win, and then you'd be off to
9 discovery. But maybe you wouldn't win. I don't know.
10 That's not on for today. I have no -- I don't have any
11 wisdom that allows me to make that kind of determination
12 sitting here today.

13 But I -- again, the idea is I'm not changing the
14 rules of the road. So, certainly we have our -- follow our
15 regular procedures to deal with the motion.

16 MR. GOLDBERG: Well look -- I understand that Your
17 Honor and thank you for that direction. Let me address,
18 briefly, what it is we think will move this case forward, as
19 quickly as possible.

20 And we do think that discovery is necessary at
21 this stage, and that is because there's a tremendous
22 information disparity between the parties here --

23 THE COURT: I -- I understand that --

24 MR. GOLDBERG: -- (indiscernible) --

25 THE COURT: -- but you're -- you're -- but that's

1 fine. That's all well and good. You had me at hello. The
2 question is whether in making that request and seeking that
3 discovery, you're asking for me to change the rules of the
4 road as to -- as to amendments, or as to objections. And I
5 -- I'm not inclined to do that, because I don't see a reason
6 to do that. It's your claim. I understand that you -- I
7 think I understand the challenges you have, and I appreciate
8 those are challenges. I have no doubt that some of what
9 you've put in your tone here will make its way into any --
10 any pleadings that might get filed in the near future, if we
11 have to go down that road.

12 But -- but I'm not sure exactly what you're giving
13 up if you amend the complaint -- if you amend the claim.
14 You're giving up the right to future amendments. I don't
15 think you are. I think you're -- you're -- those amendments
16 are just subject to whatever the rules are. So, I don't see
17 you giving up anything. I see it just being governed by the
18 rules. But so, I -- I -- that's my take, but I'm not -- I
19 haven't seen anything in your nine page letter, and the
20 discovery requests back and forth that are attached, that
21 changes the calculus for me. And again, the rules are --
22 are developed over an extensive period of time to deal with
23 situations like this and every other situation. So, I -- I
24 -- again, we'll -- if we go ahead with the claim, the
25 objection, we'll have a hearing, we'll talk about it. You

1 may win, you may lose, I don't know. But -- but that's sort
2 of the regular way we'd handle it.

3 MR. GOLDBERG: Well, I think just to play it out
4 how I expect it to unfold in that process, Your Honor, and
5 why we still think discovery should be taken now, before an
6 amended complaint, is that --

7 THE COURT: But -- but it's your choice --

8 MR. GOLDBERG: -- (indiscernible) -- once the --

9 THE COURT: -- counsel. It's your choice. It's
10 your claim. It's your choice. It's not my choice and I'm
11 not changing the rules for you under these circumstances. I
12 -- again, I'm not clear that I have the ability to change
13 the rules or why I would change the rules. Again, I
14 understand you think discovery is appropriate, and that's
15 fine. We'll get to discovery. But under what claim, it's
16 up to you.

17 MR. GOLDBERG: Very well, Your Honor. I think
18 though that the Debtors have changed the rules, but they
19 agreed to get through the --

20 THE COURT: I -- I don't agree.

21 MR. GOLDBERG: -- claim procedures order --

22 THE COURT: I understand that's your
23 characterization, but for the reasons I already discussed, I
24 think you're asking -- you're asking me to change the rules
25 to say that I get a free amendment. I -- I mean, I don't

1 want to be too snarky about this, but tell me where in the
2 rules it says you get a free amendment. You don't. And so,
3 you're subject to the regular rules.

4 I understand you're dealing with it in information
5 deficit. I get it. I understand that and we cite -- people
6 cite those kinds of rules and the case law about trustees
7 walking into these situations and the information deficit
8 all the time. And that -- that will play itself out based
9 on every -- whatever it is that we end up litigating in the
10 fullness of time.

11 But I'm not preemptively changing the rules about
12 claims objections. And I don't think the sufficiency
13 hearing, which in a way, now I'm regretting giving you in
14 its own separate name, which sounds like it's different than
15 the rules. It'll be a claim objection hearing. We'll --
16 we'll -- there -- that's the way it works in every case I
17 have, somebody files a claim, somebody files an objection.
18 We have a non-evidentiary hearing, and we get together, and
19 we see what's what.

20 And at that point, Mr. Barefoot will say we think
21 the claim should be -- should be expunged right now, Your
22 Honor, based on applicable law. And you'll say, Judge, we
23 don't think that's the case and we think that there should
24 be discovery.

25 That's how it will play itself out. That's how it

1 plays itself out in many cases that are much smaller than
2 this one.

3 MR. GOLDBERG: Thank you, Your Honor, we
4 appreciate your direction.

5 THE COURT: All right. Again, I -- I understand,
6 I think I understand the challenges that you have, and I
7 appreciate them, and so I do think your instincts to amend
8 the claim, based on what you have, information you have is -
9 - is -- is probably the right one. Again, you have to make
10 that call. You're closer to it than I am. You have the
11 information, I don't. But based on what I saw in your -- in
12 your letter, that seems to be where you'd like to go, but
13 you're nervous about it. I understand that, but it -- it
14 sounds like that's probably the right way to go so we can
15 actually get the parties to join on -- on the merits of the
16 actual claim itself.

17 But with that, I'll leave that to your considered
18 professional judgement to assess -- I do appreciate the
19 briefings, I have -- it gave me very good window into your
20 thinking, and your challenges, and so I expect all that will
21 -- will -- I will keep this in my stack of Genesis
22 materials, because I expect it may be helpful in the future.

23 MR. GOLDBERG: Thank you, Your Honor. And just to
24 be clear, I mean I think the process as we envision it is,
25 there may -- there may have to be further amendments of the

1 claim after this round, if and when we learn more facts, and
2 we'll have to take into (indiscernible) --

3 THE COURT: Well, I -- I understand that, and
4 we'll see, again, I -- I sometimes feel like I should have a
5 magic eight ball here on the bench, because sometimes people
6 are asking for those kinds of predictions, and frankly the
7 magic eight ball is probably as best as I could do, because
8 I have learned in this job, that my predictions aren't any
9 better than anyone else's.

10 So, I appreciate it -- we'll -- we'll get there.
11 We'll get there. And this is complicated. This case is
12 complicated. And all the relationship between the Debtors
13 and counterparties, complicated particularly where those
14 entities have their own proceedings. And we've already had
15 extended -- spent some extended time talking about the
16 Debtor's relationship with FTX, and now we're talking about
17 Three Arrows. And we'll -- we'll get there. So, but thank
18 you for your presentation today, and for the letter, and
19 we'll -- we'll see how it goes.

20 What I would say is we can talk about procedure.
21 At some point, I imagine that you all want to have a
22 discussion about what you want to do, and then you'll reach
23 out to the Debtors and figure out what you want to do and
24 then you can reach out to Chambers and let us know what
25 time, if any, that you need the -- in the near future, and

1 we'll get you what you need.

2 MR. GOLDBERG: Thank you, Your Honor.

3 THE COURT: All right. Thank you.

4 MR. BAREFOOT: And, Your Honor, just -- just
5 briefly, for the record, I think this is agreed between the
6 joint liquidators and the Debtors, to the extent that the
7 joint liquidators decide to amend their claim rather than
8 proceed with litigation and discovery on the existing claim.
9 They have agreed, and we've accepted that August 14th would
10 be the date for that.

11 THE COURT: All right. All right. That -- that's
12 fine. I'll -- otherwise I'll leave you to it in terms of
13 trying to figure out the best way forward because the
14 Court's -- it's very important for us to leverage the wisdom
15 and professionalism the good lawyers that appear in front of
16 us, so I'll get out of the way.

17 All right. That's probably a good segway to
18 scheduling. And so, Mr. Barefoot, I want to make sure that
19 we're all on the same page. And if you wanted to start, or
20 I could start my -- well, maybe I'll start, just to say I
21 understand that we had a date on the 15th to deal with,
22 among other things, estimation that that's not -- not a --
23 well, I'm not sure maybe Mr. Barefoot or maybe Mr. O'Neal,
24 it might be both, and that's all fine. That the 15th is --
25 is -- is not going forward at this time. We have the 18th

1 for a disclosure statement hearing and any potential
2 Chambers conference. And we have September 6th for fee
3 applications. I think the 24th of August was originally held
4 for confirmation, and I will tell you, without confirmation
5 my -- my intent is to not have a calendar on the 24th. I
6 will confess to trying to sneak off to the Adirondacks for
7 some period of time.

8 I will say that to the extent that it would be
9 helpful to have a status conference that would be beneficial
10 for anybody towards the end of August, even if I'm away, we
11 can figure that out, but my intent is to try to avoid
12 substantive hearings on issues during that time. So, -- so
13 I have then basically the 18th and the 6th. I would imagine
14 we'll have a -- sort of a status as we always do on the 18th
15 to talk about what's coming up next and that -- and at that
16 point, if someone says, geeze it would be helpful to have
17 some kind of a status conference between now and -- and
18 Labor Day, I'm open in that suggestion, and we can talk
19 about it then.

20 But that's my understanding of the schedule, and
21 so Mr. O'Neal or Mr. Barefoot, or both, any -- any thoughts?
22 I want to make sure I've got it right.

23 MR. O'NEAL: Your Honor, it's Sean O'Neal. I
24 would add to that chorus, Ms. Vanlare, I believe that you
25 have the dates. I think it's the 18th for the disclosure

1 statement and the potential Chambers conference. I think we
2 actually had discussed it with Chambers yesterday, the 18th
3 and hadn't quite gotten it yet. So, that's --

4 THE COURT: Yes --

5 MR. O'NEAL: -- that would well --

6 THE COURT: -- you -- you were good to go on the
7 18th.

8 MR. O'NEAL: Yeah, that will work well for us, and
9 then the 6th is the fee app, and I think we are also have an
10 exclusivity motion that we'll be filing, and we'll probably
11 schedule that for the 6th as well, Your Honor.

12 THE COURT: All right. All right, and you'll just
13 let me know as, you know, as things unfold, what -- what
14 else you might need, and again, sometimes the status
15 conference might be helpful. We have already made reference
16 to the potential having -- the idea of having a Chambers
17 conference and I'll -- will approve that on the 18th.

18 All right. Thank you for that. I appreciate it,
19 because I want to make sure we're on the same page and you
20 have a lot of things going on, as I think our argument
21 discussion just now was a very good illustration of that.
22 So, all right.

23 So, Mr. O'Neal, anything else that we should
24 address here this morning?

25 MR. O'NEAL: I think -- yeah, Your Honor, I think

1 the only thing is the FTX settlement motion. I think we're
2 targeting the 6th for that, but there's a fair amount of,
3 you know, there's a discussion with the FTX Debtors on that
4 point, but that is what we're targeting.

5 THE COURT: Um-hum

6 MR. O'NEAL: But if that -- if that date is -- you
7 know, if we have to go for a different date, I think we
8 would reach out to your Chambers, understanding that the --
9 the last part of August is not really available.

10 THE COURT: All right. Yeah, that's fine. Thank
11 you for the heads up on that. I certainly won't hold you to
12 it, it sounds like that's somewhat of a fluid situation, but
13 it's always helpful to get the heads up. I put things in my
14 own calendar in pencil, and have several erasers scattered
15 all over Chambers. So, -- so, that's fine.

16 All right, with that, is there anything else from
17 any other party that we should address here this morning?

18 MR. ZIPES: Your Honor, it's Greg Zipes, with the
19 US Trustee's office. I don't think I was aware that the
20 disclosure statement hearing has been moved. That was
21 actually a point that I was going to raise. I -- as far as
22 I knew the hearing was on August 11th, so I appreciate that
23 that's been adjourned a week. That was -- that was one
24 point I was going to ask about.

25 Your honor, the disclosure statement that's been

1 filed and as amended, probably is somewhat out of date,
2 especially given the FTX settlement or the hope for a
3 settlement. And there are various issues that my office is
4 -- is focused on. It is a bit of a moving target for us,
5 and we -- we just want to raise that that's an issue.

6 There's an objection deadline, which I assume is
7 not being extended out. That's what my concerns is that our
8 deadline is coming up as of Thursday or Friday. So, I
9 assume that's being extended out another week. There's an
10 SEC and objection that's been filed that has some points
11 that my office would be concerned about, and it would be
12 helpful to know, what if anything has been resolved in that
13 regard.

14 And Your Honor, I just wanted to raise that as --
15 as a point that my office is focused on.

16 THE COURT: All right. That's fair enough. So,
17 Mr. O'Neal, any -- any wisdom to offer?

18 MR. O'NEAL: I think Mr. Zipes, everything that he
19 said sounds accurate to me. We'll reach out to him, but
20 yes, the disclosure statement objection deadline will be
21 moved by the week, commensurate with the extension or the
22 adjournment of the -- of the hearing and we'll gladly
23 discuss with Mr. Zipes any concerns that he may have with
24 respect to the disclosure statement.

25 THE COURT: All right. And -- and I understand

1 that this case is, as sometimes happens in large cases with
2 a lot going on, that there's a desire to -- to move things
3 out in incremental fashion to keep the pressure on and to
4 keep the case moving, and so that's one of the reasons we've
5 been using Friday, so that it doesn't do too much violence
6 to the other customers who appear on calendars, Tuesday,
7 Wednesday, and Thursday. And we'll -- we'll figure out as
8 we go along and my only request in that is, as the Debtors
9 figure out the timing of things, just to let us know as soon
10 as possible so that everybody knows, and the moving from the
11 11th to the 18th, was very much breaking news. So, we just
12 had that discussion. So, that's, I believe it's state of
13 the art.

14 So, I appreciate keeping everybody in the loop,
15 and given today's date, we're talking about things the 11th
16 -- the 18th that's really consistent with keeping everybody
17 informed before they have to make decisions or take certain
18 actions. So, I appreciate that, and with that, anything
19 else from any other party?

20 All right. Thank you very much. I appreciate all
21 of the information. Good luck in your continued discussions
22 and I'll see you later this month. Be well.

23 MR. O'NEAL: Thank you, Your Honor.

24 (Whereupon these proceedings were concluded.)
25

C E R T I F I C A T I O N

I, Sonya Ledanski Hyde, certified that the foregoing
transcript is a true and accurate record of the proceedings.



Sonya Ledanski Hyde

Veritext Legal Solutions

330 Old Country Road

Suite 300

Mineola, NY 11501

Date: August 15, 2023